



Kawasaki Gas Turbines - Americas
Division of Kawasaki Motors Corp., U.S.A.

May 20, 2002

California Energy Commission

"Distributed Generation Strategic Plan"

Draft Committee Report

Kawasaki, with North American headquarters and 300 employees in Irvine, CA, has comments to the Distributed Generation Strategic Plan, as follows:

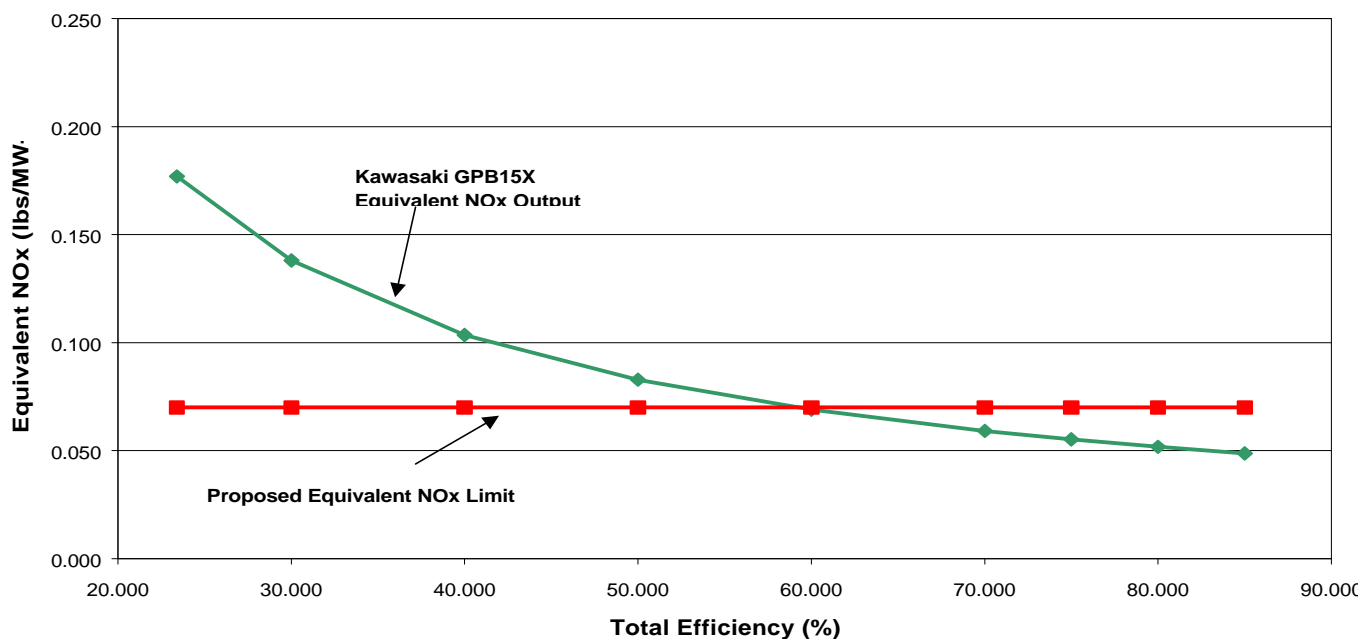
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- "Can air emissions from DG become as clean as that from central station power plants by 2007?"

Comment:

The Kawasaki GPB15X in a cogeneration application is better than the state-of-the-art central power plants **NOW!**

**Equivalent NOx - 100% Load, 2.5 PPM Guarantee
Natural Gas Fuel, ISO Conditions**



"In California, the California Air Resources Board (CARB) drives air quality policy at the state level although each of the 35 local air districts have great discretion about how those policies are interpreted. In response to legislation signed in 2000, CARB started a process that has produced new regulations restricting the amount of emissions allowed from distributed generation units. The regulations will be effective on January 1, 2003. The driving concept behind the emissions rule was the desire to only deploy distributed generation that meets or exceeds the emissions profile of a state-of-the-art, central station power plant. Under current technological considerations, only fuel cells, photovoltaics, and wind turbines are the only technologies that could qualify."

Comment:

With respect to the preceding chart, the statement that "only fuel cells, photovoltaics, and wind turbines are the only technologies that could qualify" is wrong. In fact, today, the Kawasaki GPB15X "meets or exceeds the emissions profile of a state-of-the-art, central station power plant". The statement should be amended to:

"Under current technological considerations, only fuel cells, photovoltaics, wind turbines, and gas turbines with catalytic combustion systems (the Kawasaki GPB15X being the world's only production machine with this technology) are the only technologies that could qualify."

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"The Energy Commission also has two regulatory programs, which could be used to implement a distributed generation policy agenda. The Building Energy Efficiency Standards affect both new construction and major remodels in the residential and commercial building sectors. These standards are updated every three years to reflect advances in the cost-effectiveness of energy efficiency technology. These technologies can either be mandated to be installed in all new construction or they can be recognized as "compliance options.""

Comment:

The Kawasaki GPB15X, having the world's cleanest combustion technology and **meeting the goals for 2007 today**, should be recognized as one of the "compliance options" for the Building Energy Efficiency Standards.

Thank you for your consideration.

Sincerely,

Glenn Asher
Director of Operations
Kawasaki Gas Turbines – Americas

cc: Hiro Matsumura
President, Kawasaki Gas Turbines - Americas